

Senate File 334 - Introduced

SENATE FILE 334
BY COMMITTEE ON LABOR AND
BUSINESS RELATIONS

(SUCCESSOR TO SSB 1131)

A BILL FOR

- 1 An Act relating to public assistance program oversight.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. PUBLIC ASSISTANCE PROGRAMS — VERIFICATION OF
2 APPLICANT ELIGIBILITY.

3 1. The department of human services shall implement an
4 eligibility verification system for public assistance programs
5 to verify the eligibility of an individual who is an applicant
6 for any such program. The information to be verified and
7 sources to be examined for each individual shall include but
8 are not limited to all of the following:

- 9 a. Earned and unearned income.
- 10 b. Employment status and changes in employment.
- 11 c. Immigration status.
- 12 d. Residency status, including a nationwide best-address
13 source to verify that individuals are residents of the state.
- 14 e. Enrollment status in other state-administered public
15 assistance programs.
- 16 f. Incarceration status.
- 17 g. Death records.
- 18 h. Enrollment status in public assistance programs outside
19 of this state.
- 20 i. Records of any potential identity fraud or identity
21 theft.

22 2. The department of human services shall enter into a
23 memorandum of understanding with any department, division,
24 bureau, section, unit, or any other subunit of a department, as
25 necessary, to obtain the information specified in subsection 1.

26 3. The department may contract with a third-party vendor
27 to provide the information specified in subsection 1. Such
28 contract shall not require the third-party vendor to determine
29 applicant or enrollee eligibility. Any such contract shall
30 include a provision that ensures that annualized savings to
31 the state exceed the contract's total annual cost to the
32 state, and that the cost of a third-party vendor to provide
33 the information is less than the cost to the department to
34 internally obtain and compile the information.

35 4. Nothing in this section shall preclude the department

1 of human services from receiving, reviewing, or verifying
2 additional information related to the eligibility of an
3 individual not specified in this section or from contracting
4 with a third-party vendor to provide additional information not
5 specified in this section.

6 5. For the purposes of this section, "public assistance
7 program" shall include but is not limited to the Medicaid
8 program, the family investment program (FIP), and the
9 supplemental nutrition assistance program (SNAP).

10 Sec. 2. PUBLIC ASSISTANCE PROGRAMS — REAL-TIME ELIGIBILITY
11 MONITORING.

12 1. At least quarterly, the department of human services
13 shall obtain and review all of the following information and
14 sources to determine ongoing eligibility of an enrollee in a
15 public assistance program:

- 16 a. Earned and unearned income.
- 17 b. Employment status and changes in employment.
- 18 c. Residency status.
- 19 d. Enrollment status in other state-administered public
20 assistance programs.
- 21 e. Financial resources.
- 22 f. Incarceration status.
- 23 g. Death records.
- 24 h. Lottery winnings.
- 25 i. Enrollment status in public assistance programs outside
26 of the state.

27 2. The department of human services shall enter into a
28 memorandum of understanding with any department, division,
29 bureau, section, unit, or any other subunit of a department to
30 obtain the information specified in subsection 1.

31 3. The department may contract with a third-party vendor
32 to provide the information specified in subsection 1. Such
33 contract shall not require the third-party vendor to determine
34 applicant or enrollee eligibility. Any such contract shall
35 include a provision that ensures that annualized savings to

1 the state exceed the contract's total annual cost to the
2 state, and that the cost of a third-party vendor to provide
3 the information is less than the cost to the department to
4 internally obtain and compile the information.

5 4. The department shall explore opportunities to join
6 existing multistate collaborations to identify individuals who
7 are also enrolled in public assistance programs outside of the
8 state, including the national accuracy clearinghouse.

9 5. Nothing in this section shall preclude the department
10 of human services from receiving or reviewing additional
11 information related to the eligibility of an individual
12 not specified in this section or from contracting with a
13 third-party vendor to provide additional information not
14 specified in this section.

15 6. If the department receives information about an enrollee
16 in a public assistance program that indicates a potential
17 change or discrepancy in circumstances that may affect the
18 individual's eligibility for that public assistance program,
19 the department shall review the individual's circumstances and
20 respond appropriately, as follows:

21 a. If the review does not result in the department
22 confirming any discrepancy or change in an individual's
23 circumstances that may affect eligibility, the department shall
24 take no further action.

25 b. If the review results in the department finding
26 a potential discrepancy or change in the individual's
27 circumstances that may affect eligibility, the department shall
28 promptly notify the individual.

29 (1) The department shall provide written notice to the
30 enrollee, which shall describe in sufficient detail the
31 circumstances of the potential discrepancy or change, the
32 manner in which the enrollee may respond, and the consequences
33 of failing to take action. However, a self-declaration of an
34 enrollee alone shall not be accepted as verification to refute
35 the information.

1 (2) The enrollee shall have thirty business days to respond
2 to the department in writing, to provide information to
3 refute and resolve the potential discrepancy or change. After
4 receiving the enrollee's written response, the department may
5 request additional documentation if the department determines
6 that the documentation is inadequate or that a risk of fraud or
7 misrepresentation exists. A self-declaration of an enrollee
8 refuting the information shall not, alone, constitute a
9 refutation of the potential discrepancy or change.

10 (3) If the enrollee does not respond to the written
11 notice in a timely manner, the department shall provide
12 notice to terminate the individual's enrollment, based upon
13 the individual's failure to cooperate, and shall terminate
14 the individual's enrollment in any applicable public
15 assistance program. The individual's eligibility shall not be
16 reestablished until the discrepancy or change is resolved.

17 (4) If the enrollee responds to the written notice in a
18 timely manner and disagrees with the findings, the department
19 shall reevaluate the enrollee's situation. If the department
20 determines through the reevaluation that the information upon
21 which the discrepancy or change was based is in error, the
22 department shall take immediate action to correct the error and
23 no further action on the enrollee's eligibility status shall be
24 taken. If the department affirms through the reevaluation that
25 a discrepancy or change exists, the department shall determine
26 the effect on the enrollee's eligibility and take appropriate
27 action. Written notice of the results of the department's
28 reevaluation and the actions to be taken shall be provided to
29 the individual.

30 (5) If the enrollee responds to the written notice in a
31 timely manner and agrees with the findings, the department
32 shall determine the effect on the enrollee's circumstances and
33 take appropriate action. Written notice of the actions to be
34 taken by the department shall be provided to the individual.

35 7. For the purposes of this section, "public assistance

1 program" shall include but is not limited to Medicaid, the
2 family investment program (FIP), and the supplemental nutrition
3 assistance program (SNAP).

4 Sec. 3. REPORTING OF FRAUD. If, through the department's
5 activities under this Act, the department discovers potential
6 fraudulent activity, the department shall report its findings
7 and any supportive information to the department of inspections
8 and appeals for review.

9 Sec. 4. ADMINISTRATION — REPORTING.

10 1. The department of human services shall adopt rules
11 pursuant to chapter 17A to administer this Act.

12 2. The department shall submit a report to the governor
13 and the general assembly by January 15, 2020, and by January
14 15 annually thereafter, detailing the impact of verification
15 of applicant eligibility for public assistance programs and
16 real-time eligibility monitoring of recipients of public
17 assistance programs as provided in this Act. The initial
18 report shall provide information for the period beginning July
19 1, 2019, and ending December 31, 2019. The reports shall
20 include the number of cases reviewed, the number of cases
21 closed, the number of fraud investigation referrals made, and
22 the amount of savings and cost avoidance realized from the
23 provisions of the Act.

24 3. The department of human services shall submit, to the
25 centers for Medicare and Medicaid services (CMS) of the United
26 States department of health and human services any Medicaid
27 state plan amendment or waiver request necessary to administer
28 this Act.

29 Sec. 5. IMPLEMENTATION.

30 1. The provisions of this Act requiring approval of a
31 Medicaid state plan amendment or waiver shall be implemented
32 upon receipt of such federal approval.

33 2. The provisions of this Act not requiring approval of a
34 Medicaid state plan amendment or waiver shall be implemented
35 on January 1, 2020.

1 EXPLANATION

2 The inclusion of this explanation does not constitute agreement with
3 the explanation's substance by the members of the general assembly.

4 This bill relates to public assistance program oversight.
5 For purposes of the bill, "public assistance program" includes
6 but is not limited to the Medicaid program, the family
7 investment program, and the supplemental nutrition assistance
8 program.

9 The bill provides for verification of a public assistance
10 program applicant's eligibility. The department of human
11 services (DHS) is required to implement an eligibility
12 verification system for public assistance programs to verify
13 the eligibility of an individual who is an applicant for
14 any such program. The bill specifies the information to
15 be verified; requires DHS to enter into a memorandum of
16 understanding with any department or subunit of a department,
17 as necessary, to obtain the information specified; and
18 authorizes DHS to contract with a third-party vendor to provide
19 the information specified but not to determine eligibility,
20 subject to provisions in the contract that ensure that
21 annualized savings to the state exceed the contract's total
22 annual cost to the state and that the cost of the third-party
23 vendor to provide the information is less than the cost to
24 DHS to obtain and compile the information internally. The
25 bill does not preclude DHS from receiving, reviewing, or
26 verifying additional information related to the eligibility of
27 an individual not specified in the bill or from contracting
28 with a third-party vendor to provide additional information not
29 specified in the bill.

30 The bill provides for real-time monitoring of the
31 eligibility of public assistance program enrollees. The
32 bill requires DHS, as least quarterly, to obtain and review
33 specified information to determine ongoing eligibility of an
34 individual enrolled in a public assistance program. The bill
35 requires DHS to enter into memoranda of understanding with any

1 department or subunit of a department, as necessary, to obtain
2 the information specified; authorizes DHS to contract with a
3 third-party vendor to provide the information specified but not
4 to determine eligibility, subject to provisions in the contract
5 that ensures that annualized savings to the state exceed the
6 contract's total annual cost to the state and that the cost
7 of the third-party vendor to provide the information is less
8 than the cost to DHS to obtain and compile the information
9 internally; and requires DHS to explore opportunities to join
10 existing multistate collaborations to identify individuals who
11 are also enrolled in public assistance programs outside of the
12 state, including the national accuracy clearinghouse. The bill
13 does not preclude DHS from receiving or reviewing additional
14 information related to the eligibility of an individual not
15 specified in the bill or from contracting with a third-party
16 vendor to provide additional information not specified in the
17 bill.

18 The bill provides that if DHS receives information about
19 an individual enrolled in a public assistance program that
20 indicates a potential change or discrepancy in circumstances
21 that may affect the enrollee's eligibility for that
22 public assistance program, DHS shall review the enrollee's
23 circumstances and respond appropriately. The bill delineates
24 the appropriate response based upon the response of the
25 enrollee following notice.

26 The bill provides that if, through the department's
27 activities under the bill, the department discovers potential
28 fraudulent activity, the department shall report its findings
29 and any supportive information to the department of inspections
30 and appeals for review. The bill requires DHS to adopt
31 administrative rules to administer the bill.

32 The bill requires DHS to submit a report to the governor and
33 the general assembly by January 15, 2020, and by January 15
34 annually thereafter, detailing the impact of the provisions of
35 the bill relating to verification of applicant eligibility for

1 public assistance programs and real-time eligibility monitoring
2 of recipients of public assistance programs. The initial
3 report must include information for the period beginning July
4 1, 2019, and ending December 31, 2019. The reports shall
5 include the number of cases reviewed, the number of cases
6 closed, the number of fraud investigation referrals made, and
7 the amount of savings and cost avoidance resulting from the
8 provisions of the bill.

9 The bill requires DHS to submit, to the centers for Medicare
10 and Medicaid services of the United States department of health
11 and human services, any Medicaid state plan amendment or waiver
12 request necessary to administer the bill.

13 A provision of the bill requiring approval of a Medicaid
14 state plan amendment or waiver is to be implemented upon
15 receipt of such federal approval. A provision of the bill not
16 requiring approval of a Medicaid state plan amendment or waiver
17 is to be implemented on January 1, 2020.